Province of British Columbia

Public Accounts of British Columbia

For the fiscal year ended March 31
1986

DIGEST

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Minister of Finance
and Corporate Relations

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MESSAGE FROM THE MINISTER

In recent years British Columbia has been in the forefront of a nation-wide drive to modernize government accounting and reporting. The Canadian Institute of Chartered Accountants is developing standards for government to follow as it reports to the taxpayer on its stewardship of the public purse. I am pleased to report that the Province of British Columbia Public Accounts are, to a very large extent, consistent with these emerging standards.

This document has been prepared in order to extract some significant summary information from the main Public Accounts and to present it in a form that can be understood by those who are not accountants.

An overview of the government's financial process, from the preparation of the budget to the tabling of the Public Accounts can be found in Appendix 1. Appendix 2 is an explanation of the way in which government financial activities are reported in each of the combined, consolidated and trust financial statements. The summary information presented in this booklet is taken from the combined statements, that is the operations of the government not including Crown corporations. Appendix 3 contains the summary financial statements.

It is my hope that this publication will be an important link in the chain of accountability between the government and the residents of British Columbia. The Public Accounts, published in three volumes, contain the full combined, consolidated and trust statements together with supporting schedules; a listing of payments to elected officials, employees, suppliers and grant recipients; the financial statements of Crown corporations and agencies and the auditors' reports. These volumes may be obtained from the Queen's Printer.

MEL COUVELIER
Minister of Finance
and Corporate Relations

PUBLIC ACCOUNTS DIGEST
FISCAL YEAR ENDED MARCH 31, 1986

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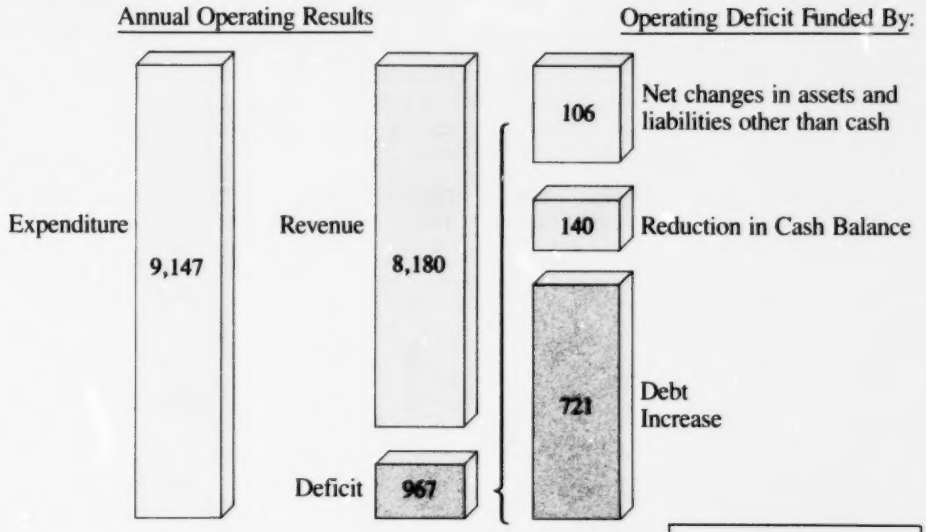
SUMMARY OF FINANCIAL REPORTS
FISCAL YEAR ENDED MARCH 31, 1986

Chart #1

OPERATING RESULTS: (In $ Millions)



	Actual Expenditures 1986	1985	For Each Person In The Province 1986	1985
	($ Millions)		($ Dollars)	
Revenue	8,180	7,790	2,836	2,806
Expenditure	9,147	8,784	3,171	3,164
Operating Deficit	967	994	335	358

The excess of expenditure over revenue (annual operating deficit) for 1985/86 when added to previous years operating results gives an excess of liabilities over recorded financial assets of $2.5 billion or $885 per person.

Included in expenditure are payments made to acquire such lasting items as highways, bridges, buildings and equipment. Many of these purchases will provide economic and social benefits in future years.

GOVERNMENT ACCOUNTING PRACTICE

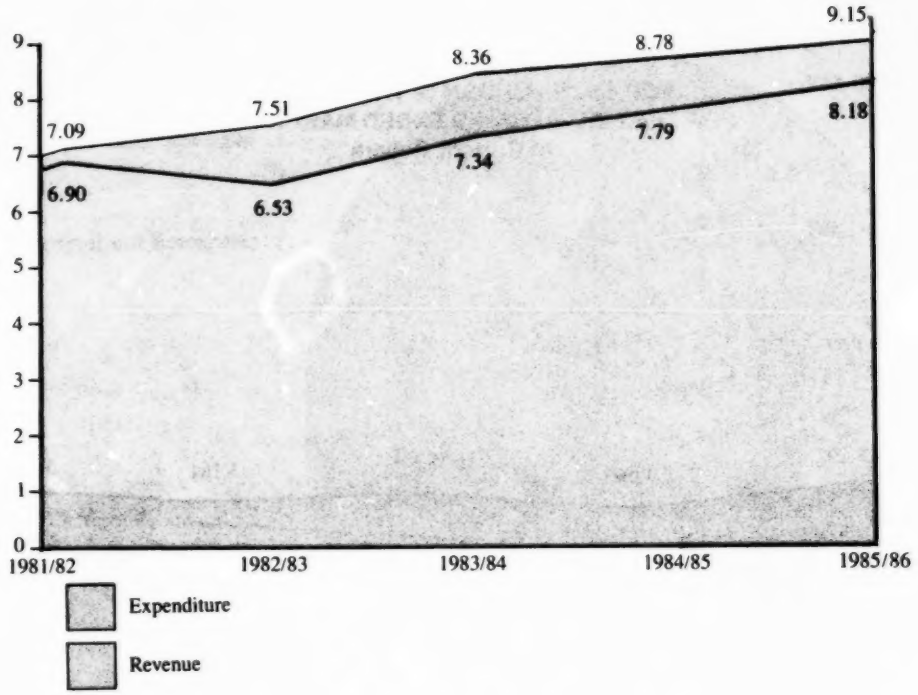
Unlike normal commercial accounting practice the Province does not record fixed assets in its financial statements. When the Province buys a fixed asset for its own use, such as equipment, or when a highway is constructed the costs are treated as an expense and are reflected in the total expenditures for the year.

This means that only land purchased for resale and those assets which are financial claims on third persons such as cash, investments, accounts receivable and goods are shown as provincial assets. Shown at a total value of $1 are most Crown lands, highways, bridges, buildings, equipment, vessels, aircraft, vehicles, spare parts and unused supplies.

The "Taxpayers' Equity" amount represents the excess of liabilities over recorded assets or, more broadly, financial charges against financial assets.

REVENUE AND EXPENDITURE
FOR THE FISCAL YEARS ENDED MARCH 31

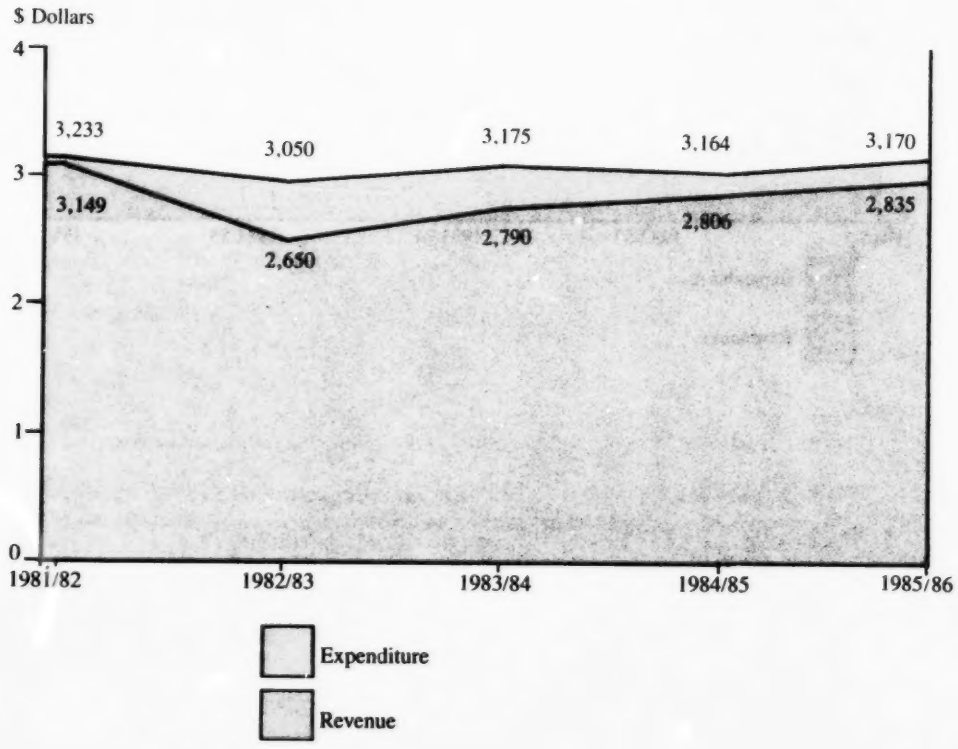
Chart #2



Provincial expenditure has increased over the past five years from $7.09 billion in 1982 to $9.15 billion in 1986 (29.0%), revenue over the same period has increased from $6.9 billion to $8.18 billion (18.5%) (Chart #2). However, when the effects of inflation and the population growth are taken into consideration the per person expenditure decreased by $62 (2%) and revenue by $313 (10%) (Chart #3).

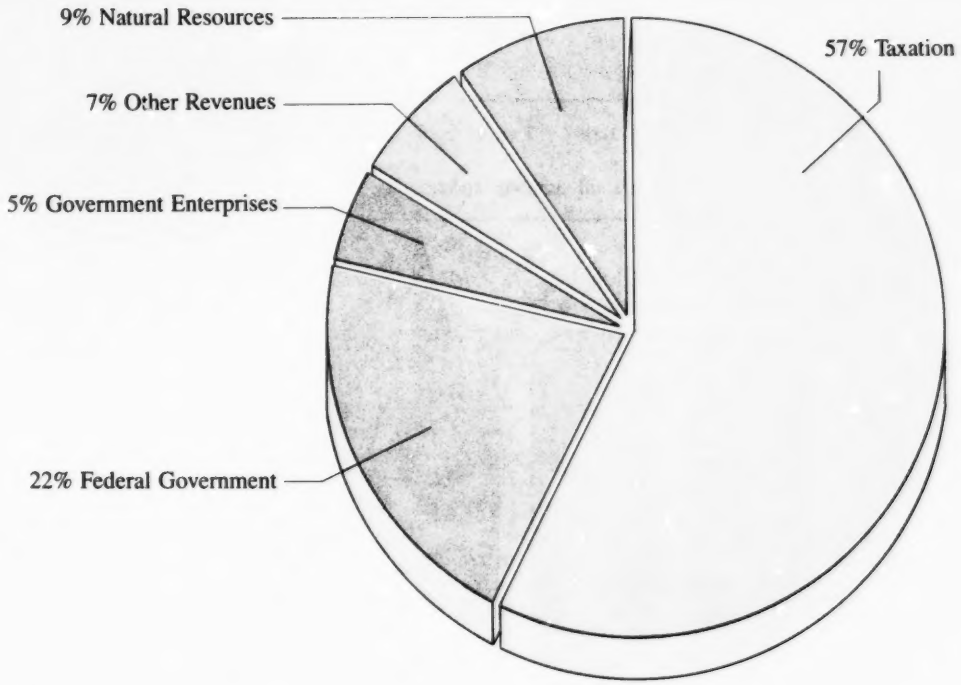
REVENUE AND EXPENDITURE
FOR EACH PERSON IN THE PROVINCE
FOR THE FISCAL YEARS ENDED MARCH 31, 1986
In Current Dollars

Chart #3



REVENUE
FOR THE FISCAL YEAR ENDED MARCH 31, 1986

Chart #4



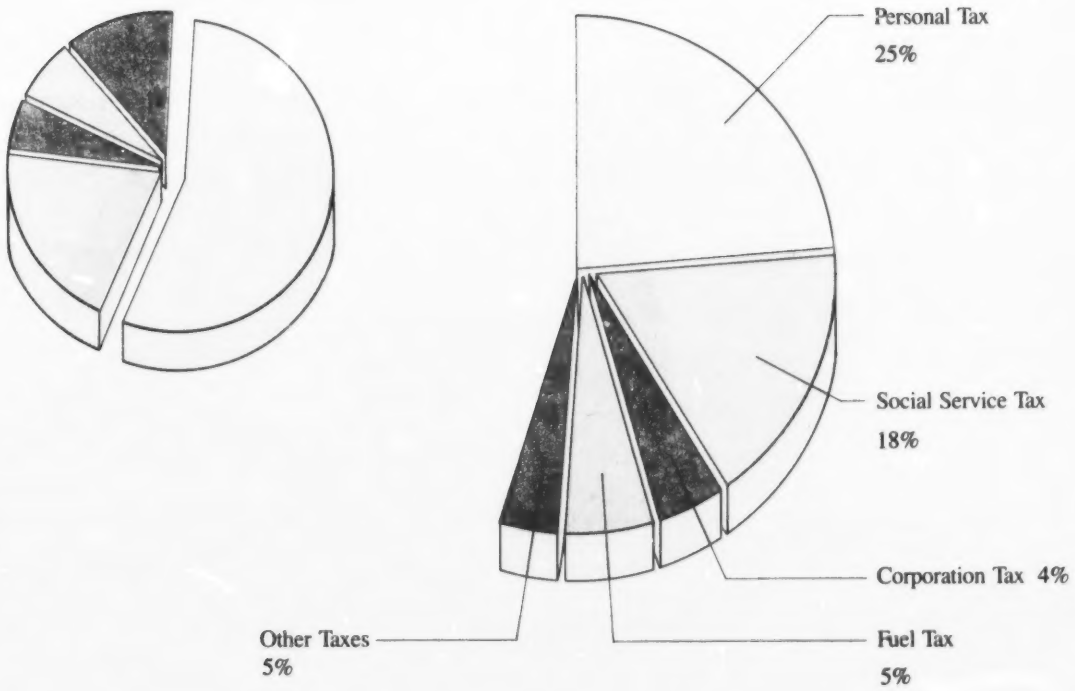
SOURCES OF PROVINCIAL REVENUE

	Total $ Millions	Per Person $ Dollars
Taxation	4,649	1,612
Natural Resources	700	243
Other Revenue	607	210
Contributions from Government Enterprises	398	138
Contributions from the Federal Government	1,826	633
Total Revenues	8,180	2,836

Provincial revenue at $8.18 billion exceeded the budget estimate by $2 million (0.2%) and the previous year by $71 million (1%). The percentage of the revenue from each source did not change significantly from the previous year.

TAXATION REVENUE

Chart #5



TAXATION REVENUE

	Total $ Millions	Per Person $ Dollars
Personal Income Tax	2,073	718
Corporation Tax	323	112
Social Service Tax	1,452	503
Fuel Tax	420	147
Other Tax Revenue	381	132
Total Tax Revenue	4,649	1,612

Taxation revenue increased by $220 million (12%) over 1984/85 but fell short of the budget estimate by $28 million (0.6%). Fuel and corporate income tax collections did not reach anticipated levels.

Chart #6

TOTAL TAXES AND PERSONAL TAXES PER PERSON FOR THE FISCAL YEARS ENDED MARCH 31
In Current Dollars

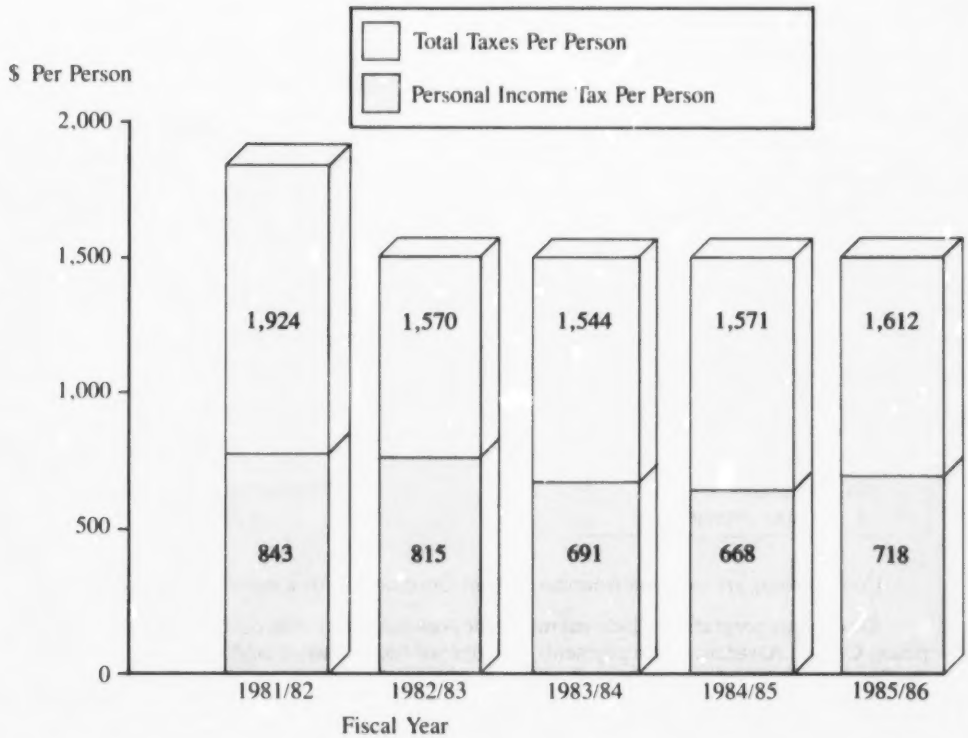
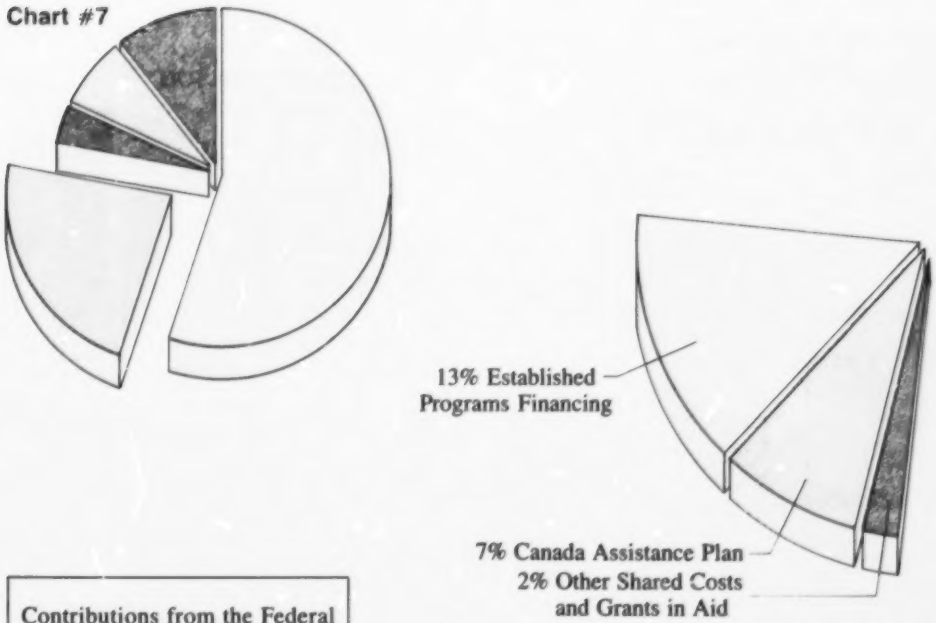


Chart 6 shows the total and personal taxes paid per person over the past five years reported in current dollars. From this chart it may be seen that per person taxes are below 1981/82 levels after inflation is considered.

CONTRIBUTIONS FROM FEDERAL GOVERNMENT

Chart #7



Contributions from the Federal Government for cost-shared programs in social and economic development.

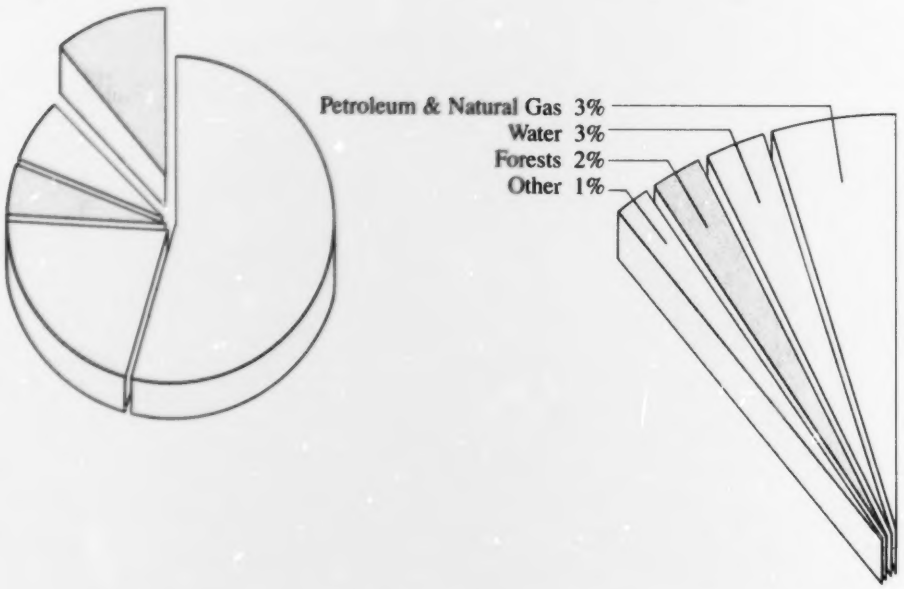
$1,826 million
$ 633 per person

Contributions are received from the Federal Government for a variety of purposes.

Established programs include payments for post-secondary education and health care purposes. Canada Assistance Plan payments are received for the cost shared expenditures made by the Province for social assistance and welfare services. Other Provincial programs are also based on cost sharing agreements primarily for manpower training and economic development.

NATURAL RESOURCE REVENUE

Chart #8



	Total $ Millions	Per Person $ Dollars
Petroleum and Natural Gas	274	95
Water Resources	214	74
Forests	144	50
Other		
Minerals	57	20
Wildlife	11	4
Total Natural Resource Revenue	700	243

Revenue from natural resources decreased by $21 million (3%) from the previous year. Forest revenue was $9.8 million below budget but up 13.3% from the prior year due to improved prices for forest products toward the end of the fiscal year. Petroleum and natural gas revenue was less than 1984/85 primarily due to lower natural gas export prices.

Government Enterprises

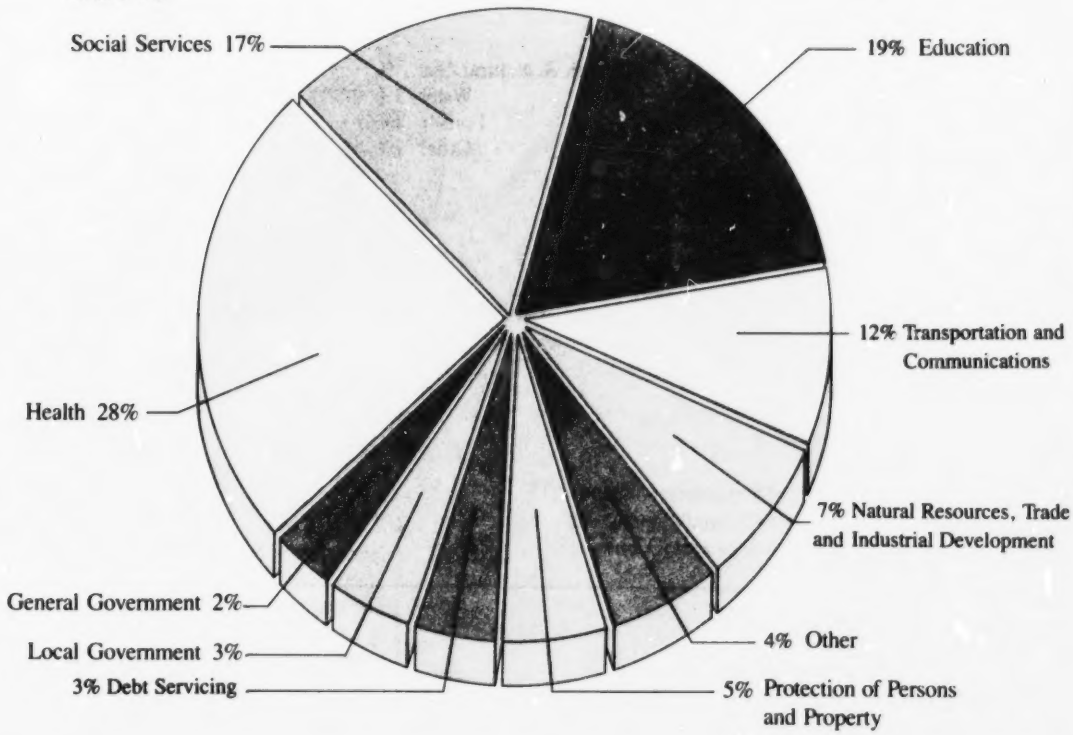
Revenue from the Liquor Distribution Branch amounted to $398 million, an increase from 1984/85 of $38 million (10.5%).

Other Revenue

Other revenues from motor vehicle licences and permits, lotteries, income from investments, land registry fees and numerous other government activities amounted to $606 million, an increase of $50 million over 1984/85, mainly due to increased Lottery revenue and the proceeds from the sale of the salt water ferry fleet to British Columbia Ferry Corporation.

EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1986

Chart #9



	$ Millions	Per Person $ Dollars
Health	2,587	897
Social Services	1,527	529
Education	1,735	601
Transportation and Communications	1,081	374
Natural Resources Trade and Industrial Development	660	229
Protection of Persons and Property	427	149
Aid to Local Government	298	103
Debt Servicing	342	119
General Government	161	56
Housing	88	31
Recreational and Cultural Services	68	23
Other	173	60
Total Expenditures	9,147	3,171

Total expenditure of $9.1 billion was $362.5 million greater than 1984/85 (4.1%) and $90 million (1%) over the original budget estimates.

EXPENDITURE FOR EDUCATION, HEALTH CARE AND SOCIAL SERVICES

Chart #10

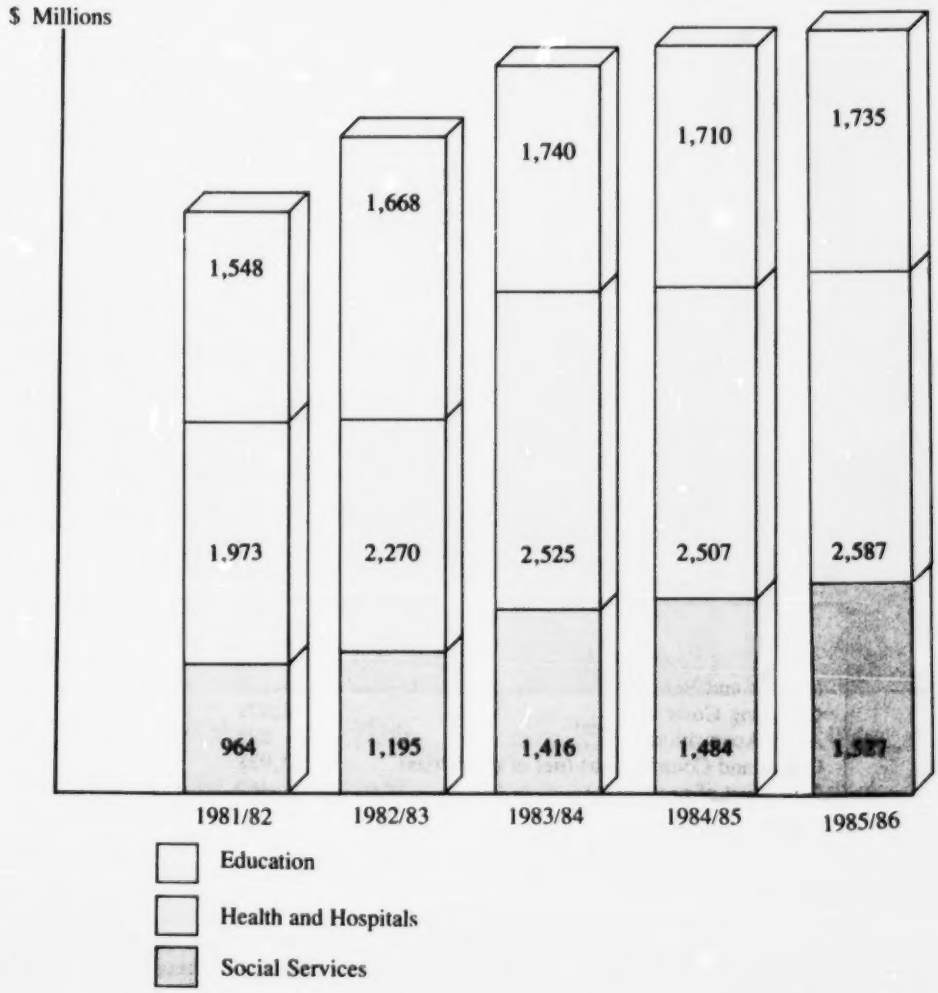
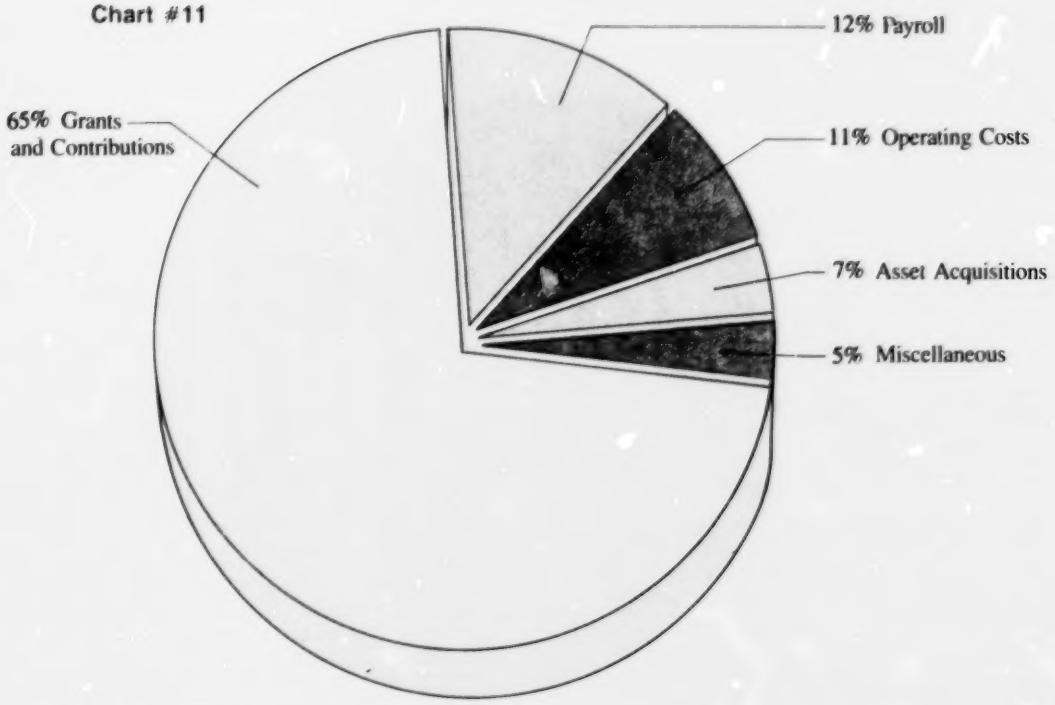


Chart #10 shows the expenditure for education, health, hospitals and social services over five years. The amount of $2,525 million for health and hospitals in 1983/84 includes $130 million resulting from a change in accounting for the deficit in the Medical Services Commission.

SERVICES ON WHICH FUNDS EXPENDED

Chart #11



	Total $ Millions	Per Person $ Dollars
Salaries and Benefits	1,125	390
Operating Costs	1,029	357
Asset Acquisitions	595	206
Grants and Contributions (net of recoveries)	5,938	2,059
Other (net of recoveries)	460	159
Total	9,147	3,171

Grants and contributions make up 65% of the Government's expenditure. These payments are made to hospitals, schools, municipalities, societies, agencies and individuals. Of the $5.9 billion paid out in grants and contributions it is estimated that $4.0 billion goes directly to salaries paid by the receiving organizations.

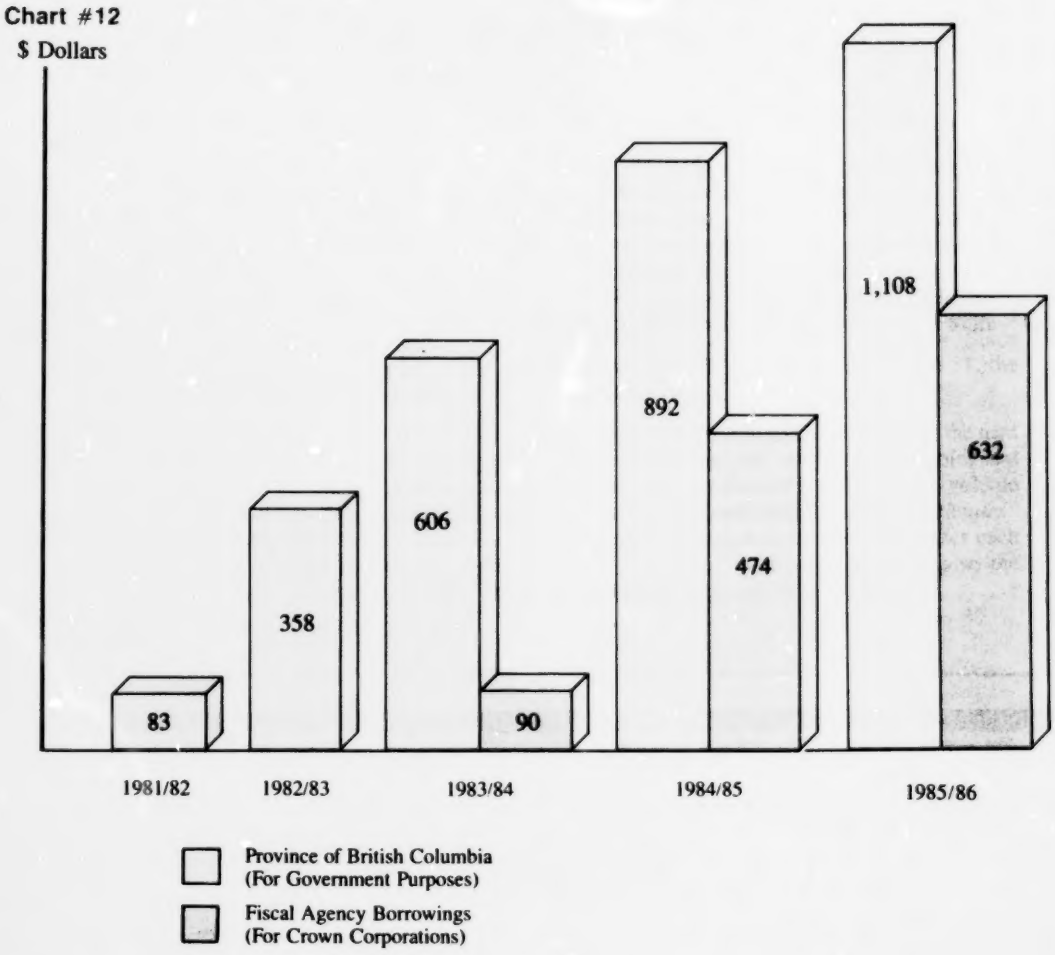
The payroll costs of $1.1 billion are the total cost of salaries and benefits paid or payable to the 36,000 full and part-time employees of the government as well as to elected officials.

Operating costs of $1,029 million include such expenses as data processing, office rent, telephone, publications and advertising, travel and contracted professional services.

The $595 million spent on asset acquisitions includes items obtained on long-term leases but does not include any assets constructed by government personnel, such as a section of highway or a bridge, the costs of which are included in the expenditure for salaries and operating costs.

PUBLIC DEBT
FOR THE FISCAL YEARS ENDED MARCH 31
In Current Dollars — Per Person

Chart #12



TOTAL PUBLIC DEBT
In Current Dollars

$ Millions	1981/82	1982/83	1983/84	1984/85	1985/86
Province of British Columbia	229	1,001	1,714	2,556	3,197
Fiscal Agency Borrowings	—	—	255	1,358	1,824
	229	1,001	1,969	3,914	5,021

Chart #12 shows the public debt per person over five years in current dollars. In the 1984/85 fiscal year the government started borrowing funds on behalf of some Crown corporations; these form part of the direct debt of the Province and are reported as Fiscal Agency Borrowings. The funds are subsequently lent to the Crown corporations and are shown as Fiscal Agency Loans under assets on the Province's balance sheet. The benefit in this arrangement is that the corporations can take advantage of the lower financing costs available to the Province, thus reducing the overall costs to the taxpayer. In addition the number of guarantees that would otherwise have been given by the government has been reduced. At March 31, 1986 approximately 68% of the debt outstanding was in Notes and Bonds with maturity dates from December 1986 to February 2005, and 32% in Promissory Notes and Treasury Bills with maturities within one year.

Under provisions contained in various statutes the Province may guarantee the debt of Municipalities and other local governments, Crown corporations, private enterprises and individuals. Of the $11.9 billion of net debt guaranteed at the close of the fiscal year 72% was on behalf of three large commercial Crown corporations, (British Columbia Hydro and Power Authority, British Columbia Railway Company and British Columbia Petroleum Corporation), who fully pay all of their own operating costs including debt service payments.

Appendix I

OVERVIEW OF FINANCIAL PROCESS

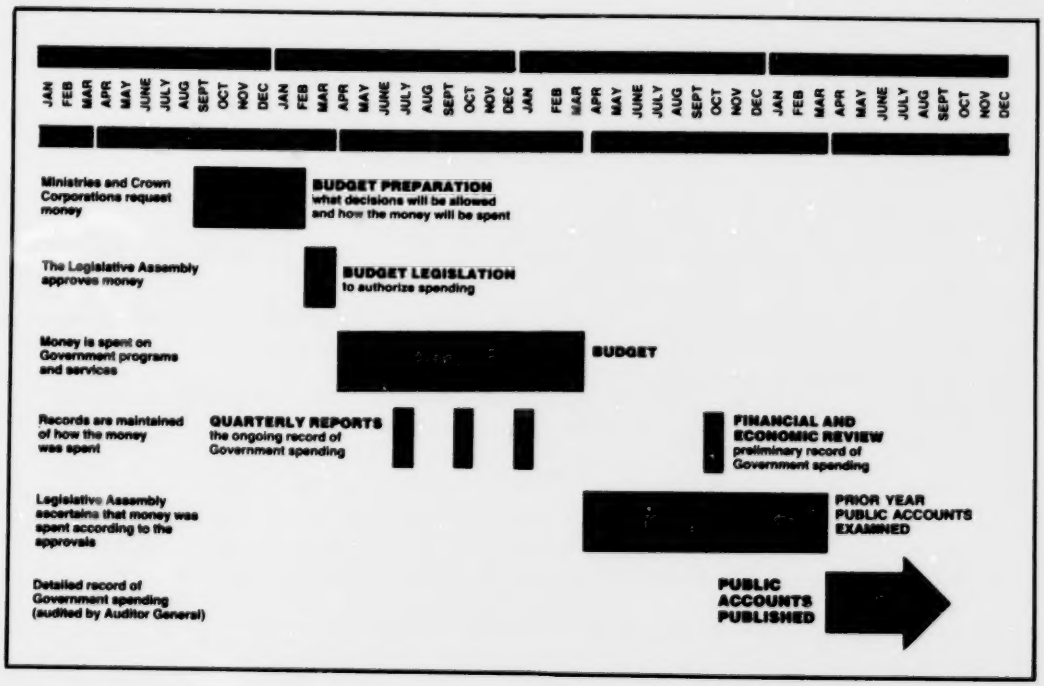
The intent of this overview is to present readers and users of the financial statements with background information on the financial process of the Province, starting with the initial stages of budget preparation, through operating transactions, the reporting functions and finally the review process.

The Budget

The Province's financial process begins twelve months before the annual budget is presented to the Legislative Assembly. The initial step includes the review of Ministry budget requests by Treasury Board, a committee of Cabinet chaired by the Minister of Finance. Allocations to each Ministry and program are arrived at in conjunction with revenue expectations for the ensuing twelve months and in harmony with the Provincial government's priorities.

Presentation of the Budget to the Legislative Assembly by the Minister of Finance is accompanied by legislation necessary to provide authorization for expenditure programs. Since the Province arranges its spending on a fiscal year from April 1 to the following March 31, the provincial budget and the related legislation are normally presented in the spring.

On Budget Day the Minister of Finance presents the revenue and spending plans for the next twelve month period in the Budget Speech which contains various supplementary tables and supporting statistical material and is presented to the Legislative Assembly along with a volume listing all the estimates of revenues and spending programs. This volume is called the *"Estimates"* (sometimes referred to as the "Blue Book"). Spending for programs and services under each ministry is aggregated in the *"Estimates"* into packages or "votes", so called because the Members of the Legislative Assembly debate and then vote approval on each package.


JAN FEB MAR APR MAY JUNE JULY AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUNE JULY AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUNE JULY AUG SEPT OCT NOV DEC JAN FEB MAR APR MAY JUNE JULY AUG SEPT OCT NOV DEC
Ministries and Crown Corporations request money
BUDGET PREPARATION
what decisions will be allowed and how the money will be spent
The Legislative Assembly approves money
BUDGET LEGISLATION
to authorize spending
Money is spent on Government programs and services
BUDGET
Records are maintained of how the money was spent
QUARTERLY REPORTS
the ongoing record of Government spending
FINANCIAL AND ECONOMIC REVIEW
preliminary record of Government spending
Legislative Assembly ascertains that money was spent according to the approvals
PRIOR YEAR PUBLIC ACCOUNTS EXAMINED
Detailed record of Government spending (audited by Auditor General)
PUBLIC ACCOUNTS PUBLISHED

The Supply Act

The official spending authority for these programs is provided through a statute called the "Supply Act". There are usually several Supply Acts each year since interim spending authority is provided in an Interim Supply Bill (Act) while debate is taking place on each vote. A final Supply Act is passed when all votes have been approved.

Statutory Appropriations

In addition to the year-to-year approval provided by the Supply Act(s) for ministry programs, continuing expenditure authority is provided in some Acts to cover special programs such as fire suppression and flood relief. Programs having permanent spending power are referred to as having statutory authority.

Special Warrants

A final means of obtaining spending authority is by way of a Special Warrant. In this case the Lieutenant Governor in Council (Cabinet) may authorize, under the provisions of the Financial Administration Act, the payment of Provincial monies; approval can be given in this manner only if the Legislative Assembly is not in session and if the expenditure is urgently and immediately required for the public good. Appropriations made by Special Warrant are subsequently reported to and reviewed by the Legislative Assembly in the following year's first Supply Bill.

Public Accounts

In the accounts of the Province financial transactions are recorded in detail as to program, activity, supplier, and expenditure type. The formal outline of the Estimates is followed. Following the end of each fiscal year a report is prepared for the Legislative Assembly explaining the Province's financial operations. This is achieved by means of financial statements and schedules which are called the Public Accounts.

The Public Accounts are prepared by the Office of the Comptroller General. This department is similar to the comptroller's section of a large corporation. In addition to being responsible for the preparation of the Public Accounts, the Comptroller General is responsible for the accounting and financial systems throughout all ministries; he must ensure that there is proper collection, disposition and recording of public money; he must maintain the central accounts of the Province, issue directives and provide methods by which ministries and staff shall account for public money. The Public Accounts are a summary reporting of these functions.

The Public Accounts are published, along with the Auditor General's opinion on the accounts, in several major sections which includes the Combined Financial Statements and the Consolidated Financial Statements of the Province, and the Trust Funds held and administered for others.

In addition to expressing an opinion on the fairness of presentation of the results of the Province's financial statements, the Auditor General also publishes an Annual Report on accounting and financial administration matters, resulting from her examination, that she considers should be brought to the attention of the Legislative Assembly. The Auditor General's Annual Report is generally tabled with the Assembly after the Public Accounts.

Public Accounts Committee

Once the Legislative Assembly receives the Public Accounts and the Annual Report of the Auditor General, a committee, called the Standing Committee on Public Accounts and Economic Affairs, which is comprised of both Government and Opposition members, assesses the financial operations and administration of the Province. Many of the matters addressed by this committee are derived from or are directly related to the Public Accounts.

Appendix 2

STRUCTURE OF THE PROVINCE'S FINANCIAL STATEMENTS

The financial statements of the Province are prepared by the Comptroller General in accordance with the Government's accounting policies, as established by Treasury Board, and cover the fiscal year which is from April 1 to March 31 of the following year.

The Government carries on its activities through a variety of appropriations, special funds, corporations and agencies.

General Fund

The general fund is the main operating account of government.

Special Funds

A number of special funds have been created to account for monies designated for specific purposes. For example the Province's proceeds from lotteries are set aside to pay grants for cultural or recreational purposes.

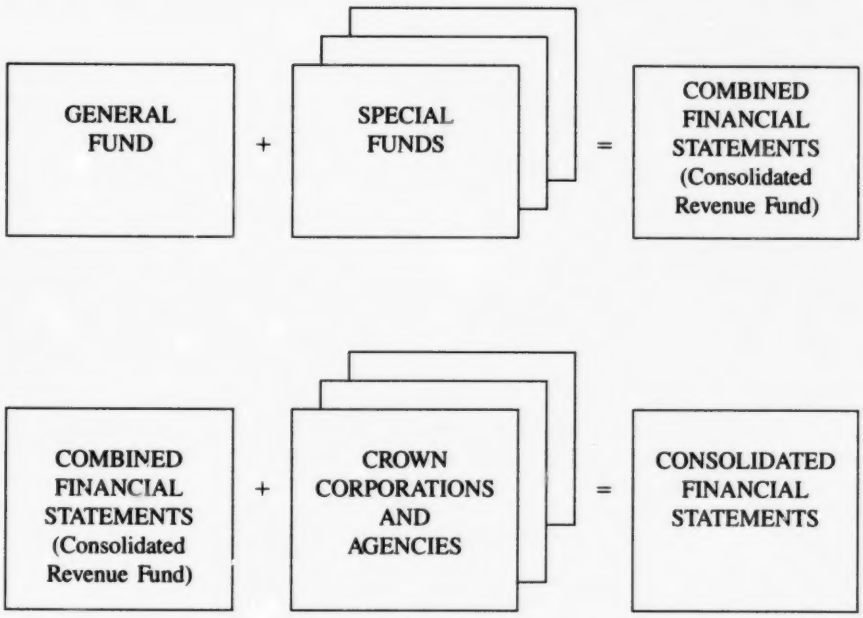
Consolidated Revenue Fund

The consolidated revenue fund consists of the general fund and the special funds. All of the activities through the consolidated revenue fund are reported in the Government's Combined Financial Statements.

Crown Corporations and Agencies

A number of government activities are carried out through corporations and agencies. These activities range from self-sufficient commercial businesses such as British Columbia Hydro and Power Authority to extensions of government programs carried out by such organizations as the Legal Services Society or the Medical Services Commission.

The financial results of these corporations and agencies, together with the activities of the Government itself, are reported in the Consolidated Financial Statements.



Trust Funds

The Minister of Finance acts as trustee and/or administrator for certain funds over which the government has no power of appropriation, including superannuation and pension funds, sinking funds, other managed trusts and custodial deposits.

The financial position of these trusts is reported in the Trust Funds Financial Statements.

Appendix 3

SUMMARY FINANCIAL STATEMENTS

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The three main areas of interest or reporting entities on which the financial statements contained in these Public Accounts report are as follows:

- Combined Financial Statements (Consolidated Revenue Fund)—the accounts included in these statements are those of the General Fund—which include the main operating accounts of the Government—and Special Funds—which include earmarked revenues and funds set aside from the General Fund for specific purposes.
- Consolidated Financial Statements—these statements aggregate, on a consistent basis, the accounts of the Combined General Fund and Special Funds with those of certain Crown corporations: "service" corporations, which exist to service the Government, and "provincial" corporations, which conduct Government activities and complement Government programs. Other Crown corporations—identified as "transportation" companies and "commercial" enterprises—are included in these accounts on an equity basis, whereby the Government's investment in the entities is adjusted to reflect underlying book values.
- Trust Funds—these statements include Superannuation Funds, Sinking Funds, other Managed Trust Funds, and Custodial Deposits. These funds and deposits are held in trust and the Government has no power of appropriation over them.

In addition to the above main areas, the Public Accounts contain the individual financial statements for all Crown corporations and agencies.

BASIS OF ACCOUNTING

The accrual basis of accounting is used in the preparation of these financial statements which, for these purposes, is specifically expressed as follows:

REVENUE

All revenues are recorded on an accrual basis except where the accruals cannot be determined with a reasonable degree of certainty or where their estimation is impracticable. The exceptions, which normally relate to certain payments of the Province under the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977*, are recorded on a cash basis.

EXPENDITURE

All expenditures, including the cost of fixed assets, are recorded on an accrual basis for goods received and services rendered during the year. Grants and forgivable loans are recorded as expenditure when disbursement of the funds has been authorized, with the exception of social assistance payments.

ASSETS

All assets are recorded to the extent that they represent claims upon outside parties or items held for resale to outside parties as a result of events and transactions prior to the year-end. Rental payments for leases which transfer the benefits and risks incident to the ownership of certain assets are reported as expenditure at the dates of inception of the leases.

LIABILITIES

All liabilities are recorded to the extent that they represent claims payable to outside parties as a result of events and transactions prior to the year-end.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate prevailing at the year-end and foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction unless hedged by forward contracts which specify the rate of exchange. Adjustments arising as a result of foreign currency translation are credited to operations at the time the adjustments arise. Unrealized foreign currency gains and losses on long-term, fixed term monetary assets and liabilities are reported as a deferred charge and amortized over the remaining terms of the related items on a straight-line basis. Non-monetary assets and liabilities are translated at historical rates of exchange.

CASH AND TEMPORARY INVESTMENTS

Cash balances are shown after deducting outstanding cheques issued prior to the year-end. Those issued subsequent to the year-end relating to the previous year are included with accounts payable.

Temporary investments are recorded at the lower of cost and market value.

ACCOUNTS RECEIVABLE

All amounts receivable at the year-end for work performed, goods supplied or services rendered are recorded as part of the revenue of the fiscal year. Provision is made where collectibility is considered doubtful.

INVENTORIES

Inventories comprise items held for resale and are recorded at the lower of cost and net realizable value. Inventories of supplies are charged to the respective programs when the cost is incurred.

Property under development is comprised of all property which will eventually be sold to outside parties. Such property is recorded at the lower of cost and net realizable value.

INVESTMENTS IN AND AMOUNTS DUE FROM CROWN CORPORATIONS AND AGENCIES

Investments in and amounts due from Crown corporations and agencies represent long-term investments and amounts due, other than trade receivables, and are recorded at cost unless significant prolonged impairment in value has occurred, in which case they are written down to recognize this loss in value. In the consolidated financial statements, these are either fully consolidated or accounted for on an equity basis.

LOANS, ADVANCES AND MORTGAGES RECEIVABLE

Loans and advances of a miscellaneous nature are recorded at cost after adjustment for any prolonged impairment in value.

Mortgages receivable are secured by real estate and are repayable over periods ranging up to thirty years. Provision is made where collectibility is considered doubtful.

FISCAL AGENCY LOANS

Fiscal Agency loans consist of loans made to government bodies which have been financed by borrowings made by the Minister of Finance, in his capacity as fiscal agent, on behalf of government bodies in accordance with the *Financial Administration Act* (S.B.C. 1981, chap. 15). These loans are recorded at maturity value less unamortized discount and sinking fund balances. Discount is amortized on a straight-line basis over the lives of the loans.

FIXED ASSETS

Disbursements for fixed assets are recorded as expenditures in the year the assets are received. Consistent with the reporting of fixed assets as expenditures, highways, bridges, wharves, ferries and ferry landings, buildings, office equipment, furniture, automobiles and Crown land comprised of parks, forests and all other publicly held land in the Province are recorded at a nominal value of $1.

OTHER ASSETS

Other assets include prepaid program costs which represent expenditures made during the fiscal year for work to be performed, goods to be supplied, services to be rendered or contractual obligations to be fulfilled by outside parties in a subsequent fiscal year. These costs also include inventories of operating materials held in the Purchasing Commission and Queen's Printer warehouses pending distribution in a subsequent fiscal year.

Also included in other assets are certain deferred charges.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

All amounts payable (including trade payables to Crown corporations and agencies) for work performed, goods supplied, services known to have been rendered or for charges incurred in accordance with the terms of a contract are recorded as part of the expenditure of the fiscal year.

DUE TO CROWN CORPORATIONS AND AGENCIES

Amounts due to Crown corporations and agencies represent liabilities incurred, other than trade payables, which are repayable in the following year.

DEFERRED REVENUE

Deferred revenue represents amounts received prior to the year-end in payment of revenue that will be earned in subsequent fiscal years.

PUBLIC DEBT

Public debt represents direct debt obligations for the purposes of the Province of British Columbia and the Fiscal Agency loans. These obligations are recorded at principal less unamortized discount and sinking fund balances where applicable. Discount is amortized on a straight-line basis over the lives of the respective issues.

COMBINED BALANCE SHEET AS AT MARCH 31, 1986

ASSETS

	1986	1985
	($ Millions)	
Cash and temporary investments	65	204
Accounts receivable	714	694
Inventories	109	106
Investments in and amounts due from Crown corporations and agencies	381	489
Loans, advances and mortgages receivable	440	470
Fiscal Agency loans	1,824	1,310
Other assets	128	118
	3,661	3,391

LIABILITIES AND NET EQUITY

Liabilities:		
Accounts payable and accrued liabilities	838	822
Due to Crown corporations and agencies	143	169
Deferred revenue	211	194
Public debt, issued for Government purposes	3,197	2,476
Public debt, to finance Fiscal Agency loans	1,824	1,315
	6,213	4,976
Net equity:		
Net equity (deficiency) — beginning of year (as restated for 1985)	(1,585)	(591)
Net expenditure for the year	(967)	(994)
Net deficiency — end of year	(2,552)	(1,585)
	3,661	3,391

COMBINED STATEMENT OF OPERATING RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 1986

	1986	1985
	($ Millions)	
Revenue		
Taxation	4,649	4,361
Natural resources	700	721
Other	607	557
Contributions from Government enterprises	398	360
Contributions from the Federal Government	1,826	1,791
Total Revenue	8,180	7,790
Expenditure		
Health	2,587	2,507
Social Services	1,527	1,484
Education	1,735	1,711
Transportation and communications	1,081	766
Natural resources, trade and industrial development	660	528
Protection of persons and property	427	411
Aid to local government	298	287
Debt servicing	342	275
General government	161	170
Housing	88	73
Recreation and cultural services	68	59
Other	173	513
Total Expenditure	9,147	8,784
Net Revenue (Expenditure) for the Year	(967)	(994)

COMBINED GENERAL FUND AND SPECIAL FUNDS (CONSOLIDATED REVENUE FUND)

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE FISCAL YEAR ENDED MARCH 31, 1986

	Assets	Liabilities	Net Equity
		($ Millions)	
Financial Position — Beginning of Year	3,391	(4,976)	(1,585)
Changes during year —			
Cash and temporary investments (decrease)	(139)		
Investments in and amounts due from Crown corporations and agencies (decrease)	(108)		
Fiscal Agency loans (increase)	514		
Other assets (increase)	3		
Public debt, issued for Government purposes (increase)		(721)	
Public debt, to finance Fiscal Agency loans (increase)		(509)	
Other liabilities (increase)		(7)	
Net expenditure for the year			(967)
Financial position — End of Year	3,661	(6,213)	(2,552)

CONSOLIDATED FINANCIAL STATEMENTS (CONSOLIDATED REVENUE FUND AND CROWN CORPORATIONS)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 1986

ASSETS

	1986		1985	
		($ Millions)		
Consolidated Revenue Fund—				
General Fund	3,356		3,154	
Special Funds	305		237	
	3,661		3,391	
Less: Adjustments on consolidation	(2,884)		(2,608)	
		777		783
Consolidated Crown Corporations—				
Service corporations	838		894	
Provincial corporations	3,423		3,400	
		4,261		4,294
Unremitted Equity of non-consolidated Crown corporations		1,328		997
		6,366		6,074

LIABILITIES AND NET EQUITY

Liabilities:				
Consolidated Revenue Fund—				
General Fund	6,158		4,915	
Special Funds	55		62	
	6,213		4,977	
Less: Adjustments on consolidation	(1,035)		(939)	
		5,178		4,038
Consolidated Crown Corporations—				
Service corporations	733		791	
Provincial corporations	3,093		3,027	
		3,826		3,818
		9,004		7,856
Taxpayers' Equity:				
Net deficiency		(2,638)		(1,782)
		6,366		6,074

CONSOLIDATED STATEMENT OF OPERATING RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 1986

	1986				1985
	Consolidated Revenue Fund	Consolidated Crown Corporations	Transfers Between Consolidated Revenue Fund and Crown Corporations	Total	Total
	($ Millions)				
Revenue					
Taxation	4,649			4,649	4,361
Natural resources	700	59		759	1,124
Other	607	843	(26)	1,424	1,084
Contributions from Government enterprises	398	913	(910)	401	365
Contributions from Federal Government	1,826			1,826	1,791
Total Revenue	8,180	1,815	(936)	9,059	8,725
Expenditure					
Health and social services	4,114	894	(644)	4,364	4,157
Education	1,735	5	(8)	1,732	1,547
Transportation and communications	1,081		(38)	1,043	730
Natural resources and primary industries	593	66	(34)	625	842
Trade and industrial development	67	294	(7)	354	300
Protection of persons and property	427	19	(86)	360	343
Aid to local government	298	2	(1)	299	287
Interest on public debt	342	445	(11)	776	684
General government	161	185	(26)	320	360
Housing	88	43	(16)	115	61
Recreation and cultural services	67	10	(2)	75	62
Other	173	73	(63)	183	558
Total Expenditure	9,146	2,036	(936)	10,246	9,931
Net Expenditure for the Year	(966)	(221)		(1,187)	(1,206)
Increase in Unremitted Equity of Transportation Companies and Commercial Enterprises				331	384
Consolidated Net Expenditure for the Year				(856)	(822)

TRUST FUNDS

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 1986

	1986		1985	
		($ Millions)		
ASSETS				
Superannuation and Pension Funds	7,417		6,515	
Sinking Funds	2,512		2,240	
Other Managed Funds	754		539	
Custodial Deposits	2,630		2,259	
		13,313		11,553
LIABILITIES				
Superannuation and Pension Funds	8		6	
Other Managed Funds	4		2	
Custodial Deposits	14		8	
		26		15
TRUST FUND BALANCES				
Superannuation and Pension Funds	7,408		6,510	
Sinking Funds	2,511		2,240	
Other Managed Funds	751		537	
Custodial Deposits	2,617		2,251	
		13,287		11,538
		13,313		11,553

TRUST FUNDS

STATEMENT OF CHANGES IN TRUST BALANCES FOR THE YEAR ENDED MARCH 31, 1986

	1986		1985	
	($ Millions)			
SUPERANNUATION AND PENSION FUNDS				
Contributions and Transfers In	593		620	
Investment Income	705	1,298	643	1,263
Pension Payments and Transfers Out	(392)		358	
Administration Fees and Other	(7)	(399)	(7)	(365)
Net Change		899		898
SINKING FUNDS				
Instalments	204		616	
Investment Income	271	475	243	859
Capital Disbursements		(204)		(239)
Net Change		271		620
OTHER MANAGED FUNDS				
Capital Receipts	5,950		6,192	
Investment Income	70	6,020	77	6,269
Capital Disbursements	(5,806)		(6,293)	
Other Costs and Administration	—	(5,806)	(2)	(6,295)
Net Change		214		(26)

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